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**DELIVERED ELECTRONICALLY**

October 26, 2021

Ms. Jessica Dibiasio, Compliance and Quality Manager  
Ascension Recovery Services  
103 Corporate Drive, Suite 102  
Morgantown, WV 26501

**RE: Docket No. GMCB-006-20con, Divided Sky Foundation and Ascension Recovery Services, Proposed Development of a Substance Use Disorder Treatment Facility in Ludlow. Revised Project Cost: \$4,390,326.**

Dear Ms. Dibiasio:

Thank you for the response to the second set of questions for the above-referenced project. The financial tables submitted on October 15, 2021, show conflicting information that must be explained and corrected. Please revise and resubmit Tables 1 and 2, Income Statement, Facilities Schedule in the Income Statement, Balance Sheet, and Cash Flow, in response to the questions below.

1. Explain in detail the change in project costs from the original submission of \$3,869,691 to \$4,390,326, a 13% increase, and specific line items and associated costs that comprise the increase.
2. Table 2 reflects that the terms of the loan are \$2,300,000 for 5 years at 3.25% interest rate. Provide the calculations for the total of the loan, including interest, reflected in the income statement and balance sheet. See questions 6 & 7.
3. The project costs from Table 2 should be reflected in the Balance Sheet as assets for most of itemized project costs. There is no mention of purchase of land or vehicles on Tables 1 & 2, but the Balance Sheet shows \$143,000 and \$35,000 respectively. The Balance Sheet has leasehold improvements, but it is our understanding that Divided Sky is the owner so this line item should be included with the building as "Building and Building Improvements." Revise and resubmit.
4. Explain and itemize what is included in line item 17 "Other" from Table 2 for \$758,112.



5. Confirm that the Balance Sheet Long-Term Liabilities amounts are reported correctly as it reflects loan payments of \$61,800 and \$63,800 each year which is the change in the long term liabilities with United Bank. We would expect these payments to be greater if the loan is for five or even thirty years. Revise and resubmit.
6. Explain the line-item titled Property - Property Note reported in the Income Statement-Facilities Schedule for \$134,499 each year which appears to duplicate the entries in the Balance Sheet and the Income Statement. (See Balance Sheet Long-Term Liabilities and Income Statement - Interest expense.) Revise and resubmit all affected schedules and tables.
7. Refer to Table 2 Source of Funds and Use of Funds and the Balance Sheet as the amounts shown for the Line of Credit are different on each sheet and section. Specify the amount, the source, and the terms of the Line of Credit. Confirm that the payment of the line of credit and corresponding interest expense is reflected on the Balance Sheet and Income Statement. Revise and resubmit.
8. Confirm the Depreciation per year as it appears to be very high as reflected on the Income Statement and Balance Sheet and the schedules reflect that all the assets would be fully depreciated within 6.5 years, which is not reasonable. The different asset classes have different terms of depreciation. Revise and resubmit.
9. Provide a detailed explanation and itemize specifically what makes up the Other Income (expense) of negative \$1,252,379 for the first fiscal year as reflected on the income statement. Revise all effected tables and resubmit.
10. Explain in detail why there is a common stock line-item. Who has shares in the common stock and what are the dividend terms?

In responding, restate the question in bold font and respond in un-bolded font. Send an electronic copy to me at [donna.jerry@vermont.gov](mailto:donna.jerry@vermont.gov) and one hard copy (three-hole punched) with a Verification Under Oath to my attention at the Green Mountain Care Board, 144 State Street, Montpelier, Vermont 05602.

If you have any questions, please do not hesitate to contact me at 802-760-8162.

Sincerely,

*s/ Donna Jerry*  
Senior Health Policy Analyst  
Green Mountain Care Board



cc. Michael Barber  
General Counsel

